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Guide to Departments on the Management and Reporting of Horizontal Initiatives

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Guide to Departments on the Management and Reporting of Horizontal Initiatives

From Treasury Board of Canada Secretariat

Results Division, Expenditure Management Sector
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1.0 Introduction

In this section

1.1 What is the purpose of this guide?

The purpose of this guide is to assist departments in better managing and reporting on horizontal initiatives.

The guide promotes this objective by:

- clarifying what a horizontal initiative is
- outlining appropriate governance
- describing the roles and responsibilities of lead and partner departments
- setting out the process for their management and reporting
- prescribing reporting requirements to Parliament and to TBS

Highlights:

- a set of recommended governance committees to help ensure that any horizontal initiative is well-coordinated within and across departments
- a horizontal initiative framework, which helps to better communicate the initiative to TB Ministers and stakeholders
- details on financial tracking obligations for reporting on expenditures

The guide seeks to provide direction to departments on establishing:

- proper governance
- a planning framework for management and public reporting

While good governance and sound planning are key to any successful horizontal initiative, other factors (for example, execution) are unique to each horizontal initiative and will also be drivers of success. Departments should accordingly treat this guide as a starting point.

1.2 What are horizontal initiatives?

Horizontal initiatives usually arise where 2 or more departments are given funding to pursue a shared outcome, often linked to a government priority. In most cases, funding is significant and runs for a fixed period of time.

- 2 or more departments
- shared outcome
- significant funding
- fixed period
- government priority

1.3 How are horizontal initiatives established?

Where it is deemed that a formal horizontal initiative is required, the Privy Council Office (PCO) or the Treasury Board of Canada Secretariat (TBS) will typically recommend that the Memorandum to Cabinet (MC) or Treasury Board (TB) submission, respectively, be presented to Cabinet or Treasury Board Ministers for their approval as a horizontal initiative. The considerations underpinning the decision to designate a formal horizontal initiative are within the purview of central agencies and Cabinet and are therefore not exhaustively dealt with in this guide.

The MC will identify:

- lead and partner departments
- timelines
- funding and outcomes

TB submissions will include this information, as well as details on the governance and planning of the initiative. A TB submission seeking to implement an MC on a horizontal initiative must make reference to this designation.

Throughout this process, PCO and TBS work closely with the implicated departments, including advising as early as possible in terms of whether a proposal will be presented to Ministers as a horizontal initiative.

1.4 Who are the major players in a horizontal initiative?

The Privy Council Office (PCO):

- advises departments on the Memorandum to Cabinet (MC)
- advises Cabinet on declaring a horizontal initiative
- advises Cabinet and departments on alignment of the initiative with Results and Delivery Charters
- identifies the department that will be the lead for reporting

Treasury Board of Canada Secretariat (TBS):

- advises Treasury Board on declaring a horizontal initiative and identifies the lead department, where this was not done at the MC stage
- sets out requirements for and advises departments on an initiative's TB submission(s)
- provides guidance and support to departments on managing and reporting on the initiative

Lead department:

- acts as the secretariat for approval, management and reporting on the initiative
- reports high impact issues that affect accuracy or consistency of reporting to TBS, as required by this guide
- coordinates and establishes standards for the collection of financial and non-financial performance information
- coordinates the public reporting of the horizontal initiative via the departmental plan and departmental results report

Partner departments:

- meet reporting requirements outlined by the lead
- support the lead department in its secretariat functions
- collect and provide required financial and non-financial performance information related to the horizontal initiative to the lead department
- implement their respective activities, which are components of the horizontal initiative

1.5 What are the key tools for managing these initiatives?

- Governance: facilitating sound, coordinated management of the initiative
- Horizontal initiative framework: mapping out activities, resources and results
- Progress reporting: communicating what is achieved and what is spent or not spent

These requirements are described in more detail below.

2.0 Governance

In this section

Once an MC or a TB submission designates a proposal as a horizontal initiative, implicated departments are required to set up, at a minimum, a senior-level Horizontal Initiative Oversight Committee.

- establish governance early in the planning process: in particular the senior-level Oversight Committee will maintain governance throughout the initiative

The lead department is required to convene and support this committee. This should be done as soon as possible, ideally during the formulation of the MC or TB submission, and no later than 1 month after the first TB submission associated with the horizontal initiative is approved.

- ensure governance deals with simple issues and roadblocks
- ensure that the Oversight Committee reports high-risk, high-impact issues to TBS

Depending on the importance and risk associated with the initiative, members of the Oversight Committee may be Deputy Ministers (DM), Associate Deputy Ministers or Assistant Deputy Ministers (ADM).

The relative seniority of the committee members should be established at a level commensurate with the size, scope and importance of the initiative or at the level dictated by Ministers.

The Oversight Committee is responsible for ensuring that:

- the initiative is properly managed
- reporting is timely and accurate

Membership on the Oversight Committee may include the implicated Assistant Secretary of the program sector or an appropriate delegate.

Notwithstanding that, when the Oversight Committee becomes aware of issues of sufficient importance, it should report them in writing to the appropriate Assistant Secretaries of the program sectors and Expenditure Management Sector, for both lead and partner departments. The senior-level Oversight Committee should meet several times per year.

The Oversight Committee should be supported by a steering committee, composed of ADMs or DGs as appropriate, and 1 or more horizontal working groups to address operational, implementation or technical issues.

While this represents the minimum suggested governance structure, departments should tailor their governance to best suit the context of their horizontal initiative.

	Horizontal Initiative Oversight Committee	Steering Committee	Working Group(s)
When is it required?	Always	Always	As needed
Who is on it?	DM and ADM of all departments	ADM or DG of all or some departments	DG, director or analyst for all or some departments
What does it do?	• Ensures the initiative is properly managed • Ensures reporting is timely and accurate • Reports issues to TBS • Seeks to resolve conflicts within the horizontal initiative or refer these to TBS for support	Carries out tasks delegated by the senior-level committee	• Carries out technical or difficult tasks • Develops options and recommendations for resolving such issues
How often does it meet?	Several times per year	Several times per year	As needed

The Oversight Committee, supported by its subordinate bodies, is responsible for the governance and coordination of the horizontal initiative, which at a minimum should include:

- development of results and resource frameworks
- data collection and consolidation (including criteria on what is considered to be in scope)
- monitoring of indicators and spending
- reporting content and frequency
- unforeseen issues and course corrections that arise during the life of an initiative
- resolution of disputes
- liaison and ongoing engagement with central agencies
- coordination of any horizontal evaluations and audits
- timing of meetings and agenda
- communication strategies
- close-out considerations and approach

2.1 Roles and responsibilities of lead and partner departments

In addition to establishing the Oversight Committee, a **lead department** is responsible for:

- coordinating the MC and TB submission approval processes (if applicable)

- providing administrative support to the Oversight Committee and other governing bodies (including logistics, managing agendas and maintaining meeting notes and records of decision)
- identifying a secretariat within the department of sufficient capacity to manage coordination efforts
- coordinating the development and maintenance of the Horizontal Initiative Results Framework, including the structured inventory of activities with inputs from partner departments
- coordinating the collection of financial and non-financial performance information from partner departments
- ensuring that performance measures are populated with actual and meaningful performance data, and that data consistency standards are set
- communicating the format and frequency of the submission of financial information required for consolidated reporting
- coordinating the public reporting of the horizontal initiative via the departmental plan (DP) and departmental results report (DRR)
- coordinating the preparation of any required horizontal initiative reports (for example, annual or close-out)
- collecting and storing data for the initiative in a manner that supports subsequent audits and evaluations
- coordinating liaison with central agencies, notably in the event that a high-impact issue arises

As active members of the Oversight Committee, **partner departments** should:

- participate in establishing the governance structure and the financial parameters for the horizontal initiative
- provide a complete list to the lead department of their activities that are components of, or linked to, the horizontal initiative (this information is used by the lead department in developing the structured inventory of activities)
- provide information on relevant departmental activities as required by the Oversight Committee to implement their respective activities that are components of the horizontal initiative, in order to contribute to the achievement of the shared outcome(s)
- collect and provide to the lead department financial and non-financial performance information on all their activities that are components of the horizontal initiative

2.2 Ensure ongoing governance

Effective governance requires that this be maintained throughout the life of an initiative, and the focus of governance committees should not wane after the launch of the horizontal initiative. Indeed, it is expected that the involvement and coordination of the Oversight Committee would intensify as the initiative is delivered.

As with all decision-making bodies, maintaining detailed records of decision is key for:

- effective reporting
- future audits
- evaluations

Lead departments should ensure that this is carried out by the committees.

- Past horizontal initiatives have experienced governance challenges as a result of declining engagement on the part of governance committees
- Lead departments must therefore ensure that governance structures continue to be an effective forum for coordinating efforts and decision-making

2.3 Dispute resolution and high impact issues

The Oversight Committee is responsible for resolving disputes or any other issues that may arise among horizontal initiative participants. A dispute resolution mechanism should be established, in consultation with central agencies.

As noted, the Oversight Committee is responsible for liaison with central agencies and for ensuring that major reporting issues that arise are reported to TBS throughout the course of the initiative. It is anticipated that this would include those issues that could lead to inaccurate performance or financial reporting. The Oversight Committee, through the lead department, must report any such issue to TBS in a timely manner. This liaison would be facilitated through the TBS Program Sector Assistant Secretary's membership on the Oversight Committee, as is recommended in this guide.

High Impact Issue	Lead Department Action
Performance information has been or will be inaccurately reported	Resolve at the senior committee level
Financial information has been or will be inaccurately reported	Advise TBS on the issue and resolution
Questions may arise in an evaluation or audit	If it cannot be resolved, address with TBS

3.0 Horizontal initiative framework

In this section

Successful management and reporting of a horizontal initiative requires a shared understanding of:

- the outcomes anticipated
- the indicators of success
- the activities required
- the capacities needed to carry them out

A robust Horizontal Initiative Framework will provide this, along with a common understanding of departmental roles and responsibilities.

As with a departmental results framework, this collaboratively designed framework forms the basis for managing and collecting data, and for transparent reporting to parliamentarians and the public.

At its core, the horizontal initiative framework provides a means for Parliament and Canadians to understand:

- what the horizontal initiative intends to achieve
- how it is being achieved
- what has been achieved

It should be:

- clear
- easily understood
- informed by meaningful and relevant indicators

The horizontal initiative framework (see Table 1) should consist of:

- an agreed-to name of the horizontal initiative
- clearly stated shared outcomes, ideally no more than 3:
  - these must encompass the full scope of the horizontal initiative
- an alignment of each shared outcome with:
  - a performance indicator
  - a target and target date
  - a data source
  - a verification of data availability
- an articulation of the linkage of performance indicators to the achievement of outcomes
- a disaggregation of each shared outcome by theme:
  - each theme should have the same performance information as is outlined for each shared outcome
- a listing of activities linked to each theme, indicating whether funding is for a new program or is incremental to an existing program:
  - each horizontal initiative activity should be listed under the theme that it most contributes to
  - if an activity substantially contributes to 2 or more themes and assigning it to a single theme might create confusion, consider creating multiple activities
- the identification of activities by department:
  - these activities should be linked to programs in each department's program inventory
- relevant performance indicators for all activities and related baselines and targets for clear tracking of progress and for use in any evaluation

Table 1: horizontal initiative framework

Horizontal Initiative Name
Shared Outcome(s)
Total allocation (in dollars)

	Theme A Outcome(s) Total (in dollars)	Theme B Outcome (s) Total (in dollars)	Theme C Outcome (s) Total (in dollars)	Internal Services Total (in dollars) :
Department A	Activity Name A (new program) total allocation (in dollars) Activity B (top-up)	Activity E (top-up) Activity F (top-up)	Activity I (top-up)	Internal services
Department B	Activity C (top-up)	Activity G (top-up)	n/a	Internal services
Department C	Activity D (top-up)	Activity H (new)	Activity J (new)	Internal services

Table 2a: horizontal initiative framework results tracking table - Horizontal initiative shared outcome

Horizontal initiative shared outcome	Performance indicator(s)	Target	Date to achieve target	Data source	Frequency of data availability

Table 2b: horizontal initiative framework results tracking table - First theme outcome

First theme outcome	Performance indicator (s)	Target	Date to achieve target	Data source	Frequency of data availability

Table 2c: horizontal initiative framework results tracking table - Department outcome

Department	TB approved activity under theme A	Outcome(s) or output(s)	Performance indicator(s)	Target	Date to achieve target	Data source	Frequency of data availability
Department A	Activity A (new)						
	Activity B (top-up)						
Department B	Activity C (top-up)						
	Activity D (new)						
Department C	Activity E (top-up)						

3.1 Roles and responsibilities

The Oversight Committee is responsible for establishing and maintaining the Horizontal Initiative Framework, and lead departments are therefore accountable for the creation and ongoing coordination of the Horizontal Initiative Framework.

This framework should be developed in collaboration with the partner departments, and lead departments should set clear expectations in terms of performance indicators and data.

Partner departments are responsible for providing appropriate input, as agreed to with the lead department, including relevant and collectible performance information and credible data sources. Departments should have the appropriate systems in place to capture performance indicators.

This information should be provided to the lead department within the format and timelines requested by the Oversight Committee.

3.2 Performance measures

As with other types of programming across government, effective management of a horizontal initiative requires the ongoing collection and monitoring of performance data, including measures that help assess progress toward the achievement of its shared outcome(s).

This includes working with the heads of evaluation in each department to ensure that the data collected under the auspices of the horizontal initiative will adequately address planned or potential evaluations.

Performance measures should help inform decision-making by the Oversight Committee and other governance committees and contribute to telling a compelling story in terms of what was achieved and what gaps remain.

The approach to tracking results should be agreed to before the launch of the initiative, and partner departments should commit to performance measures that are:

- relevant
- risk-based
- meaningful

This performance monitoring should aim to facilitate the following:

- assessment of progress toward stated outcomes
- decisions on renewal of the initiative and new areas of focus
- decisions on adjustments to resource allocation
- reporting to central agencies and Parliament

3.3 Top-up funding

Results information should be clarified in situations where additional, or "top-up", funding is provided to an existing program in the context of a horizontal initiative. The Oversight Committee should specify that departments are required to identify performance measures for the top-up portion separate from the program as a whole, wherever possible. This may include ensuring that evaluations are designed so as to assess the incremental gains of the top-up.

3.4 Alignment with delivery charter

Horizontal initiatives should align with government priorities in terms of outcomes. In some cases, this means they fall under a specific delivery charter created for a government priority. It is essential that the performance measures for the horizontal initiative, especially at the shared outcome level, are aligned with the applicable charter, including the adoption of identical measures, as required.

Performance measurement for horizontal initiatives must meet the standards set out in the Policy on Results and the related Directive on Results. Please see the Interim Guide on Results for additional information on outcomes, indicators and targets.

3.5 Evaluations of horizontal initiatives

Given the importance of horizontal initiatives in terms of delivering on government and departmental priorities, Oversight Committees and lead departments should work with heads of evaluation and central agencies to determine evaluation needs, timing and objectives.

Evaluation is the neutral and objective assessment of issues such as relevance, effectiveness and efficiency, undertaken by dedicated evaluators under the leadership of a head of evaluation. Evaluations can play an important role in understanding:

- what results are being achieved and why
- how improvements can be made

Evaluation information also plays an important role in:

- reporting on horizontal initiatives
- informing key decisions including renewals

According to the Policy on Results, evaluation reports are made available to the public.

For more information on how evaluations of horizontal initiatives are undertaken and resourced, consult with your head of evaluation and TBS's Guidance on the Governance and Management of Evaluations of Horizontal Initiatives.

4.0 Tracking financial information

In this section

Linking the funding appropriated and expenditures of the horizontal initiative with the horizontal initiative framework is essential to effective reporting on the overall performance of the horizontal initiative. This includes the planned and actual resources used at the shared outcomes, theme and activity levels. The horizontal initiative framework forms the basis for the costing framework for the horizontal initiative. This provides some of the information to support evidence-based decision-making in terms of the need for course corrections, reallocation of funds, or changes in program design.

4.1 Financial information issues

The objective of the horizontal initiative costing framework is to provide financial information at a level of detail sufficient to:

- inform decision-making
- provide evidence of progress toward shared outcomes

It is not intended to manage each dollar of expenditure, given that departmental systems provide the internal control and stewardship for each of their activities. Notwithstanding that, financial information should be credible and verifiable.

Reporting on funding and spending must cover all approved expenditures for an initiative. In reporting on expenditures, departments are also required to report on all unspent funds (that is, if these funds were redirected to another program or lapsed). The total approved expenditures consist of new authorities as well as any existing departmental funds that are specifically allocated to the horizontal initiative. The lead department should:

- collaborate with partner departments to develop the requirements for tracking financial resources
- obtain Oversight Committee approvals for these requirements

Horizontal initiative financial information should be available at the level of detail required to:

- help support Oversight Committee decision-making
- fulfill reporting requirements to:
    - central agencies

- Parliament
- the public

A sufficient level of detail should be:

- determined by the Oversight Committee
- communicated by the lead department to all partner organizations

4.2 Financial reporting

Departments must report on funds uniquely as part of the horizontal initiative, while also reporting on those funds used as part of their normal departmental expenditures.

A robust tracking of horizontal issue financial information should include:

- budget, forecast and actual expenditures for each departmental activity under the horizontal initiative
- identification of:
  - the budgeted amounts of existing funding prior to the horizontal initiative
  - the , and identification of the amount that is incremental funding
- financial information by fiscal year
- indication of any use of unspent funds at year end as 1 of the following:
  - reallocation
  - re-profile
  - carry forward
  - lapse
- costing of:
  - internal services
  - Employee Benefit Plan (EBP)
  - accommodation costs
- estimates of internal services contributions in data collection
- a linkage of financial information at the departmental activity level directly or through proration to the departmental program inventory, as required under:
  - the Policy on Proration to the Departmental Program Inventory
  - the Policy on Results

Departments are encouraged to use the expenditure tracking tools in 6.1.3 Appendix C: expenditure templates to collect this data.

Internal services: Internal services spending should be included in planned and actual expenditures. Internal services planned expenditures could be deemed as spent for the actual expenditures reporting (that is, the actual expenditures are equal to the planned expenditures).

EBP: EBP costs should be included in planned and actual expenditures and any variance accounted for.

Accommodation: Accommodation costs should be included in planned and actual expenditures. Planned expenditures could be deemed as spent for actual expenditure reporting.

4.3 Financial data collection

The Oversight Committee should establish a regime for regular collection and reporting of financial data to support decision-making.

At a minimum, this data should be aligned with the:

- Main Estimates to reflect funding approved
- Public Accounts to reflect expenditures incurred

Lapsing funds should be reapplied to future years of the horizontal initiative when possible. At minimum the status of unspent funds **should be noted as 1 of the following:**

- reallocated within the department
- carried forward
- re-profiled
- lapsed

4.4 Roles and responsibilities

The **lead department** is responsible for:

- coordinating the collection and validation of financial information from partner departments
- ensuring the capacity to roll up financial information at the horizontal initiative, shared outcome and theme levels by department and by input factor (that is, salary, employee benefits, accommodation, operating, transfers)

- collecting and storing financial data and records of financial decisions made by the Oversight Committee in a manner that supports subsequent audits and evaluations
- determining and communicating to Treasury Board any amendments made to the horizontal initiative financial framework particular to the initiative
- maintaining appropriate financial systems to capture the horizontal initiative financial information
- ensuring that the chief financial officer validates and verifies in writing the veracity of the horizontal initiative financial information

Partner departments should:

- provide all financial information requested by the lead department in the format identified and within the required deadlines, and in particular, within timelines consistent with main estimates, supplementary estimates or Public Accounts
- distinguish base reference level funding allocated to the initiative from new or incremental funding
- derive financial information from departmental financial systems with appropriate internal controls
- verify, in writing, the:
  - accuracy of the budgeted, forecast and actual financial expenditures reported to the lead department
  - financial data associated with departmental performance information
- ensure that this information is signed off by the departmental chief financial officer

5.0 Progress reporting

In this section

As custodians of public funds, departments have an obligation to Canadians to demonstrate and take responsibility for performance. This includes accountability for results, as well as the effective and efficient use of resources employed to achieve them.

An integral part of this obligation is the transparent reporting of progress:

- internally
- to Parliament
- to the Canadian public

In order to ensure that reporting on progress and performance is credible, it must be balanced. It should:

- disclose when expectations are not met
- articulate what has been learned as a result

- lead department reports annually to Parliament and to TBS
- focus on having good measurement data for describing achievements and challenges
- determine need for audits and evaluations

Departments are encouraged to use the progress report template in Appendix D.

Where evaluations have been completed, the associated findings and responsive actions should be incorporated into both internal and public reporting.

5.1 Reporting issues

Reporting for horizontal initiatives presents a particular challenge, given the requirement to consolidate unique departmental information, systems and cultures. In this context horizontal initiative reporting should strive to be:

- consistent
- comprehensive
- easy to understand

It should endeavour to report at the shared outcome level.

Horizontal initiative reporting aims to:

- improve horizontal decision-making
- share information with stakeholders
- provide transparent performance reporting to Parliament and Canadians
- disseminate lessons learned

Reports should give stakeholders a sense of:

- how the initiative is progressing
- any successes it has achieved
- any challenges it is facing

Reporting will:

- be based on the horizontal initiative results framework and financial framework
- provide a means to compare the consolidated status of the horizontal initiative with the ultimate plan or outcomes

Content should be restricted to the horizontal initiative and not include related activities that fall outside the scope of the results framework.

5.2 Progress reports

The Oversight Committee should determine the frequency, level of detail and audience for progress reports, with the exception of any related statutory, parliamentary or ministerial requirements. At a minimum, progress reports:

- should be presented annually to the Oversight Committee
- could potentially be made public

Consideration should be given to the presentation of an interim report within 6 months of each annual report.

Progress reports should facilitate early detection of horizontal issues and be understandable to the target audience. They should include:

- an assessment of progress toward outcomes using performance data examined in relation to targets using trend and variance analysis, as appropriate
- explanations for observed performance
- an update of:
  - budget
  - forecast and expenditure data
  - an explanation of significant variances
- highlights of any significant changes to funding levels
- any changes in contextual environment or assumptions
- identification of any changes to plans for measuring or evaluating performance, for example:
  - changes to indicators or targets
  - new planned evaluations or changes to them
- articulation of any decisions required
- updates on implementation of recommendations arising from evaluations or audits

5.3 Reporting to Parliament

The consolidated reporting of summary information on horizontal initiatives to Parliament and Canadians is carried out in departmental plans (DPs) and departmental results reports (DRRs) of the lead department based on a consolidation of inputs from all participating departments. The lead department should follow the principles of reporting outlined in the Guide to Preparing Supplementary Information Tables for Departmental Plans and Departmental Results Reports. In addition, TBS will collect this information from departments using data collection sheets.

The Horizontal Initiatives Database is a repository of data reported through the DPs and DRRs. The database provides Parliament and the public with information on horizontal initiatives in a standard format and in 1 place.

5.4 Close-out reporting

By design, horizontal initiatives are meant to achieve outcomes in a specific and relatively short time frame. Delivery of a horizontal initiative, for all practical purposes, ends once the TB spending authority has ended, even if there remains residual ongoing funding to programs. Lead departments should contact TBS for advice and approval on requirements for close-out reports. TBS will provide individual guidance on the timing and requirements for close-out reports on a case-by-case basis.

- reporting ends, but may continue in specific cases
- lead department publishes a formal close-out report
- close-out report summarizes outcomes achieved and resources used

Notwithstanding the completion of a close-out report, certain situations would require continued reporting on the initiative, such as in the event that:

- additional time is needed to better measure and determine the outcomes achieved
- renewal of the initiative is being sought
- TBS requests continued reporting to give clarity on the outcomes being achieved

The close-out report communicates to Parliament that the initiative has ended and summarizes the results achieved, including:

- the shared outcomes achieved
- the resources used versus the approved funding for the initiative
- information on federal programs receiving ongoing funding (if applicable)
- plans for any future audits or evaluations of the initiative
- lessons learned

This report should be included as a supplementary table in the lead department's DP or DRR. The close-out report should follow the suggested template included in Appendix E: close-out reporting template.

5.5 Roles and responsibilities

The **lead department** should:

- establish the timelines and templates for reporting, this should include clarity on:
  - the nature and scope of information to be reported
  - to whom it is to be reported
  - the timing of reporting
- collect information from partner departments in a timely fashion to produce reporting as required by the Oversight Committee, TBS and Parliament
- make reasonable attempts to ensure that reporting on progress is accurate and complete
- draft a narrative performance story based on partner inputs
- coordinate production of any required public reporting, for example:
  - annual report
  - close-out report
- coordinate inputs to DP and DRR documents
- have in place the appropriate systems for amalgamating departmental input into horizontal initiative reporting

Partner departments should:

- respond to the lead department's requests in an accurate and timely fashion
- demonstrate progress against established targets
- identify changes to performance measures that may affect reporting
- have the appropriate systems in place to report on costs and performance down to the departmental activity level

6.0 Resources

- **In this section**

This guidance sets out minimum expectations. Departments should ensure the guidance is followed within the intended spirit.

Within the Expenditure Management Sector of TBS, the Results Division is:

- responsible for supporting the management and reporting of horizontal initiatives
- available to assist departments

If you have any questions or comments about horizontal initiatives or this document, send an email to: results-resultats@tbs-sct.gc.ca.

6.1 Management and reporting tools

The resources included in the appendices are:

- not mandatory
- meant to help departments in the management and reporting of the initiative

The financial and performance measurement resources are meant to be used as tools for tracking data.

Horizontal initiative suggested tools	Corresponding step
Appendix A: detailed checklist for the framework, governance and reporting	All steps
Appendix B: performance measurement	3.2: Performance measures
Appendix C: expenditure templates	5.0: Progress reporting
Appendix D: progress report template	5.0: Progress reporting
Appendix E: close-out reporting template	5.0: Progress reporting
Appendix F: definitions	All steps

6.1.1 Appendix A: detailed checklist for the framework, governance and reporting

Horizontal initiative framework

- ☐ The lead department works with departments to create skeletal framework based on available data
- ☐ The lead and partner departments add additional information to the framework finalized for the TB submission
- ☐ Shared outcomes are clearly stated
- ☐ Themes to break down the funding into smaller buckets are included
- ☐ All horizontal initiative activities are listed by theme and department

- ☐ Each horizontal initiative activity is listed under the theme that it most contributes to
- ☐ Funding is listed for the full initiative, for each theme and for each horizontal initiative activity
- ☐ Horizontal initiative activities are identified as top-up of existing programs or as new programs
- ☐ Internal services expenditures are listed by department
- ☐ Performance indicators and related information (for example, targets) of the shared outcome(s) are developed
- ☐ Outcomes, performance indicators and related information are articulated for themes and for each horizontal initiative activity
- ☐ The performance measures will give a good idea of the impact of the initiative
- ☐ TBS comments on the performance measures have been factored into the final framework
- ☐ Indicators are attributable to the horizontal initiative activities that make up the initiative
- ☐ The head of performance measurement of each department is satisfied with the outcomes and indicators

Governance

- ☐ Oversight Committee, supporting committee to senior-level committee and working groups are created and meeting schedules are planned
- ☐ Departments are attending senior-level committee, supporting committee to senior-level committee and working group meetings as required
- ☐ All efforts to have a single TB submission for the initiative are undertaken
- ☐ An updated horizontal results framework (Table 1) is included in all TB submissions, where multiple submissions are used for 1 initiative
- ☐ The TB submission includes a commitment from all partners to provide annual reporting to the lead department
- ☐ Periodic analyses and review of progress toward shared outcomes are undertaken by the senior committee

Delivery of the horizontal initiative

- ☐ Departments deliver their horizontal initiative activities to achieve expected outcomes
- ☐ The lead department communicates clear requirements for expenditures and results tracking, so partner departments can set up their systems accordingly
- ☐ Departments collect results data against their outcomes or outputs
- ☐ Departments track all expenditures associated with the initiative
- ☐ The lead department ensures the governance committees meet regularly
- ☐ Unforeseen issues that arise are addressed by the governance committees
- ☐ The lead department informs TBS of all major issues that arise that could affect the quality and accuracy of reporting

Reporting

- ☐ The lead department communicates reporting requirements for expenditure data to partner departments to account for all approved funds
- ☐ The lead department communicates reporting requirements for results data to partner departments
- ☐ Departments understand their accountabilities to the lead department
- ☐ The lead department provides reporting timelines to partner departments
- ☐ The lead department provides reporting templates to partner departments
- ☐ The lead and partner departments track expenditure data in the departmental financial system
- ☐ Departments provide CFO attestations for all reported expenditure data
- ☐ Departments submit reporting information on time with adequate explanation of variances between planned and actuals
- ☐ Annual reporting provides a consolidated view of the expenditures of the horizontal initiative
- ☐ Annual reporting provides information on the level of achievement of the shared outcome
- ☐ The lead department obtains TBS agreement on the timing of a close-out report
- ☐ The lead department prepares the close-out report
- ☐ Departments submit all required information to the lead department as requested for the close-out report
- ☐ Departments conduct evaluations and audits as decided by the governance committees

6.1.2 Appendix B: performance measurement

Using theories of change

Horizontal initiatives are often complex undertakings intended to address significant societal issues. In these cases, outlining the theory of change that underlies the logic of the initiative helps to describe how and why the horizontal activities should influence higher-level outcomes. These theories can then be used by departments to help identify performance indicators that demonstrate how activities of the horizontal initiative contribute to movement in the higher-level indicators. Find more information on change theories in the TBS Guide on Theory-Based Approaches to Evaluation.

Measuring results of top-up funding

Departmental programs often receive additional funding (so-called "top-up" funding) as part of horizontal initiatives. Measuring the impact of the top-up funding separately from that of the program itself can be difficult. Nevertheless, departments are required to report specifically on the performance of the top-up funding as part of the initiative.

There are 3 potential types of top-up funding, leading to different measurement approaches, namely:

1. Funding to do more of what the program currently does:

- using existing performance as a baseline, the program measures the incremental increase in outcome achievement related to the top-up funding
- this is often accomplished by revising performance targets upward

2. Funding to do more of 1 specific activity of the program, using 1 of the following:
   - the approach in item1 above may still be appropriate
   - the specific program activity could use its past achievement to indicate the increase in achievement expected with the addition of the top-up funding
   - a new expected outcome, new indicator and new target could be created, where possible, to measure the performance of this activity
3. Funding for a new activity based on:
   - a new expected outcome, new indicator and new target that could be created to measure the performance of this new activity

6.1.3 Appendix C: expenditure templates

After approval of the horizontal initiative, the lead department should have the following tables clearly filled out to cover the total funding of the initiative:

Table C1: consolidated expenditure template

Horizontal initiative (HI)

Theme	Department	Link to HI activity to PI program	HI activity	Total funding allocation (from start date to end date)	Total top-up funding	Total internal reallocation	Fiscal year planned spending	Fiscal year actual spending
[Insert name of theme]	[Insert name of department]	[Insert name of program]	[Insert horizontal initiative activity]	[Insert amount]	[Insert amount if applicable]	[Insert amount if applicable]	[Insert amount]	[Insert amount]
	[Insert name of department]	[Insert name of program]	[Insert horizontal initiative activity]	[Insert amount]	[Insert amount if applicable]	[Insert amount if applicable]	[Insert amount]	[Insert amount]
	[Insert name of department]	[Insert name of program]	[Insert horizontal initiative activity]	[Insert amount]	[Insert amount if applicable]	[Insert amount if applicable]	[Insert amount]	[Insert amount]
Subtotal				[Insert subtotal for theme]	[Insert subtotal for theme]	[Insert subtotal for theme]	[Insert subtotal for theme]	[Insert subtotal for theme]
Internal services	[Insert name of department]			[Insert amount]	[Insert amount if applicable]	[Insert amount if applicable]	[Insert amount]	[Insert amount]
	[Insert name of department]			[Insert amount]	[Insert amount if applicable]	[Insert amount if applicable]	[Insert amount]	[Insert amount]
	[Insert name of department]			[Insert amount]	[Insert amount if applicable]	[Insert amount if applicable]	[Insert amount]	[Insert amount]
Subtotal				[Insert subtotal for internal services]	[Insert subtotal for internal services]	[Insert subtotal for internal services]	[Insert subtotal for internal services]	[Insert subtotal for theme]
Total				[Insert total for horizontal initiative]	[Insert total for horizontal initiative]	[Insert total for horizontal initiative]	[Insert total for horizontal initiative]	[Insert total for horizontal initiative]

Table C2: detailed record of new and existing funding template

	New funding (in dollars)						Internal departmental funding reallocated to the initiative (in dollars)						Total (new and existing funding) (in dollars)	Ongoing funding after sunset (in dollars)
Department	Year 1	Year 2	Year 3	Year 4	Year 5	Total new funding	Year 1	Year 2	Year 3	Year 4	Year 5	Total existing funding		
Department 1														
Department 2														
Department 3														
Totals														

Table C3: detailed inventory of horizontal activities funding template

		Funding by horizontal activity (in dollars)						
Department	Structured inventory of horizontal activities	Year 1	Year 2	Year 3	Year 4	Year 5	Total funding	Ongoing funding after sunset (in dollars)
Department 1	Horizontal activity							
	Horizontal activity							
	Internal services							
Department 2	Horizontal activity							
	Horizontal activity							
	Internal services							
Department 3	Horizontal activity							
	Horizontal activity							
	Internal services							
Totals								

Table C4: variance tracking tool

		Variance year 1					Variance year 2					Variance year 3					Variance year 4	
Department	Horizontal initiative activity	Lapsed	Carried forward	Re-profiled	Other	Total	Lapsed	Carried forward	Re-profiled	Other	Total	Lapsed	Carried forward	Re-profiled	Other	Total	Lapsed	Carried forward
Department 1	Activity 1																	
	Activity 2																	
	Activity 3																	
Department 2	Activity 1																	
	Activity 2																	
	Activity 3																	
Department 3	Activity 1																	
	Activity 2																	
	Activity 3																	

Table C5: fund tracking and reconciliation worksheet

Department	Horizontal Initiative Activity	Total Funding Allocation From Start to End Date (in dollars)	Total Funding Allocation (in dollars)						Actual Spending (in dollars)						Variance (in dollars)					
			Year						Year						Year					
			1	2	3	4	5	Cumulative total	1	2	3	4	5	Cumulative total	1	2	3	4	5	Cumulative total
Department 1	Activity 1																			
	Activity 2																			
	Activity 3																			
	Internal services																			
Department 2	Activity 1																			
	Activity 2																			
	Activity 3																			
	Internal services																			
Department 3	Activity 1																			
	Activity 2																			
	Activity 3																			
	Internal services																			

6.1.4 Appendix D: progress report template

Horizontal initiative results and financial performance to date

Overview of horizontal initiative progress, including:

- cumulative spending versus total allotted funds for the initiative
- an assessment of progress toward outcomes using performance data examined in relation to actual results and targets
- any changes in contextual environment or assumptions
- major issues for resolution or decisions required (for example, on results, expenditures or compliance)

Fiscal year results performance

Performance last fiscal year, including:

- identification of:
  - any successes and challenges faced in the last fiscal year
  - any changes to plans for measuring or assessing performance, for example:
    - changes to indicators or targets
    - new planned evaluations or changes to them
- performance by themes
- any data quality issues

Fiscal year financial performance

Financial progress, including:

- an update on:
  - planned expenditures
  - actual expenditures for the year
- an explanation of significant variances
- spending by themes
- highlights of any significant changes to funding levels

Financial tracking table

Department	TB approved activity under theme A	Total allocation	Total cumulative planned spending	Total cumulative actual spending	Total fiscal year planned spending	Total fiscal year actual spending	Variance
Theme A							
Department A	Activity A (new)						
	Activity B (top-up)						
Department B	Activity C (top-up)						
Theme A total							
Theme B							
Department A	Activity A (new)						
	Activity B (top-up)						
Department B	Activity C (top-up)						
Theme B total							
Horizontal initiative total							

Explain any significant changes to funding levels

6.1.5 Appendix E: close-out reporting template

Horizontal initiative close-out report

Name of horizontal initiative:

Start date:

End date:

Lead department:

Number of times renewed:

Partner departments:

Other non-federal partners:

Expenditures

Total federal funding from start to end date (authorities and actual)

Themes and internal services	Authorities (according to the TB submission)	Actual spending	Variance(s)
Theme A			
Theme B			
Internal services			
Totals	$	$	$

Results

Performance indicator(s) and trend data for shared outcome(s)

Performance indicators	Trend data

Performance indicators	Trend data
Shared outcome	
Theme A outcome	
Theme B outcome	

Brief explanation of performance

Programs receiving ongoing funding

Program	Ongoing funding	Purpose
Total	$	

Plans (including timelines) for evaluation and/or audit

6.1.6 Appendix F: definitions

actual spending
The actual expenditures of a horizontal initiative activity in given time period.

carry-forward
Describes funds that were not spent within the allocated fiscal year, but will be used in the next fiscal year.

horizontal initiative activity
The specific activity that is being funded as part of a horizontal initiative.

department
(as defined by the Financial Administration Act)

a. any of the departments named in Schedule I
    1. any of the divisions or branches of the federal public administration set out in column I of Schedule I.1
b. a commission under the Inquiries Act that is designated by order of the Governor in Council as a department for the purposes of this Act
c. the staffs of the Senate, House of Commons, Library of Parliament, office of the Senate Ethics Officer, office of the Conflict of Interest and Ethics Commissioner and Parliamentary Protective Service and
d. any departmental corporation

horizontal initiative
An initiative which 2 or more federal organizations receive common funding to achieve a clearly defined shared outcome, which has been designated a horizontal initiative by Cabinet or the Treasury Board.

horizontal initiative framework
A framework that summarizes key planning information, such as the structure of the initiative, in an easy to understand visual presentation, outlining what the initiative seeks to achieve, how it intends to measure progress, and the resources it plans on using, broken down by department and activity.

internal services:
The service categories defined in the Guide on Recording and Reporting of Internal Services, including human resources management, information technology, legal and communications.

lapse
Funding that was planned to be spent within a fiscal year but that was not spent.

lead department
The federal organization charged with the responsibility to be the secretariat for a horizontal initiative, including the responsibility to report on it.

partner department
The federal organization that has been identified as a participant in a horizontal initiative.

planned spending

The funds that are intended to be spent in a given time period.

shared outcome

The outcome that a horizontal initiative seeks to achieve.

themes

Themes are the division of the initiative into a limited number of smaller and logical outcome areas. They are effective in communicating areas of funding that are part of an initiative.

For example, an Olympic Games horizontal initiative may have "Sporting Activities" "Hospitality and Diplomacy" and "Ensuring Safety" as 3 of its themes. Themes should be self-evident. They are often announced by the government when an initiative is made public or appears in an MC or TB submission. As part of the horizontal framework each program must be linked to 1 theme only.

top-up funding

Funding that has been added to the allocation of existing program funding as part of a horizontal initiative.

top-up program

A Program Inventory program which has received additional funding as part of a horizontal initiative, contributing a horizontal initiative activity as a result of the top-up.

variance

The difference between planned and actual spending or planned and actual results.

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